

Also, last week the Los Angeles Times reported that "Global Crossing workers lost about \$250 million between 1999 and 2001 when the value of the company stock in "their 401(k) accounts tumbled," and that while the company "cut off severance pay to thousands of laid-off workers when it filed for bankruptcy . . . in the preceding months [it] forgave loans and made \$15 million in lump-sum pension payments to certain executives."

I am inserting complete copies of these articles in the RECORD today.

Pension reform must provide equity to employees. Employees have a right to know when their executives are dumping company stock. They should then be able to make an informed decision as to whether they want to sell any of their own company stock in their retirement accounts. They should be able to receive accurate financial information about their company. They should have a right to have equal representation on the pension administrative committee. They should have the right to sell company-matched stock after only one year. And they should certainly be assured that when company officials breach their trust, the will be held fully accountable for their actions.

I urge the members to join me in sponsoring this new measure, and the Employee Pension Freedom Act (H.R. 3657) that I introduced earlier this year.

[From the LA Times, Feb. 27, 2002]

EX-EMPLOYEES QUESTIONED ON 401(K) PLAN  
(By Liz Pulliam Weston)

The Labor Department is questioning former Global Crossing Ltd., workers about the bankrupt company's 401(k) retirement plan, apparently to determine if any pension laws were broken.

Former Global Crossing employees said this week they have been contacted by Labor Department investigators, who asked for copies of documents distributed to workers describing the company's 401(k) plan and its features.

The investigators "said that they were opening an investigation into Global Crossing's 401(k) program and [were] very interested in any additional information that they could glean from any present or former employee," said one former employee, who asked not to be identified.

Global Crossing workers lost about \$250 million between 1999 and 2001 when the value of the company stock in their 401(k) accounts tumbled from a peak of \$64 to 30 cents before the company filed the fifth-largest bankruptcy in U.S. history Jan. 28.

A Global Crossing spokeswoman said the company had been contacted by Labor Department investigators and was cooperating.

"Our [attorneys] will work to provide all necessary information and answer any questions [investigators] may have," said spokeswoman Janis Burenga.

The Labor Department routinely examines the retirement plans of companies that have filed for bankruptcy to make sure employees' retirement money is safe and being properly distributed as companies reorganize, said department spokeswoman Gloria Della. Della would neither confirm nor deny that such an investigation was taking place at Global Crossing.

The telecom giant, which is based in Bermuda and has executive offices in Beverly Hills, is under investigation by the Securities and Exchange Commission and the FBI for its accounting methods. In addition, members of Congress have demanded investigations into the company's retirement

plans, and employees have sued over losses in their 401(k) accounts.

Global Crossing employees said labor investigators also questioned them about the company's severance packages. Global Crossing cut off severance pay to thousands of laid-off workers when it filed for bankruptcy, but in the preceding months forgave loans and made \$15 million in lump-sum pension payments to certain executives.

Regulators simply may be making sure employee contributions were deposited into the 401(k) plan, said Los Angeles pension lawyer Alex Brucker. Troubled companies sometimes illegally use 401(k) contributions to pay bills, although such behavior is far more common at small, private companies than at large, publicly traded firms, pension lawyers said.

Global Crossing spokeswoman Tisha Kresler said all employee contributions have been properly deposited in the plan.

Labor investigators also may be probing whether employees were advised of the risks of investing in company stock, which at one point made up more than half the 401(k) plan's assets, pension experts said.

Rep. George Miller (D-Martinez) asked the Labor Department last week to determine whether any of the trustees of Global Crossing's savings plan were aware of the company's financial problems and what steps the trustees took, if any, to protect employees.

Miller also plans to introduce a bill today that would require executives who sell company stock to alert company executives and pension officials within 24 hours.

Rep. Louise McIntosh Slaughter (D-N.Y.) has requested a congressional inquiry into Global Crossing's decision to freeze workers' 401(k) accounts for a month before the bankruptcy.

This legal but controversial practice, known as a lockdown, was used by both Global Crossing and bankrupt energy trader Enron Corp. when the companies switched plan administrators.

Several lawmakers have introduced bills that would limit how long lockdowns can last.

Global Crossing's stock already had lost 99% of its value by the time its lockdown began Dec. 14. Global Crossing's 401(k) plan was typical for a large firm, offering a range of investment options including stock and bond mutual funds as well as company stock.

Both firms matched their employees' contributions only with shares of company stock, however, and placed restrictions on workers' ability to sell those shares. Consumer and pension rights advocates say such restrictions—also not uncommon among employers—prevented many employees from diversifying their accounts.

In December, Global Crossing lifted restrictions on employees' ability to sell company shares in their 401(k)—long after most of the shares' value had disappeared. Even then, many employees did not sell their shares, saying they were told by executives that the stock price would recover.

Postal Service since 1967, when he began as a part time flexible clerk. After joining the American Postal Union, he held numerous trusted positions in the union. In 1980 he became the president of the Portland Maine Local, and has remained in that position for the last 22 years.

Wayne was born in Portland on March 29, 1943. He was the eldest son of four boys and one girl of John Poland, Jr. and Phyllis Pauline Woods Poland. Wayne grew up Portland, and attended my alma mater, Deering High School.

I had the pleasure of working closely with Wayne during a difficult time for the Portland postal workers, when plans were being discussed for the relocation of the principal mail facility in the region. Thanks in large part to his able leadership, we were able to resolve the issue, ensuring that the hundreds of postal workers working at the facility would not have to relocate or leave their jobs.

Throughout his tenure, Wayne worked hard and effectively to serve the needs of both workers and the Postal Service. He earned the respect of all who worked with him, and he will be sorely missed.

IN TRIBUTE TO JOSEPH NAVAS,  
PORT AUTHORITY OFFICER

HON. MARGE ROUKEMA

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 5, 2002

Mrs. ROUKEMA. Mr. Speaker, I rise today with a heavy heart to pay tribute to one of New Jersey's finest—Joseph Navas of the Port Authority of New York and New Jersey. A resident of Paramus, New Jersey, Joseph Navas died valiantly trying to save lives during the September 11 terrorist attack on the World Trade Center. Joseph was not only a dedicated veteran police officer for the Port Authority, but also a devoted and loving father and husband. And although he may have been taken early from this life, his children will grow up knowing that their father was a hero to his family, and now a hero to his country. I am proud to pay tribute to this courageous American hero.

As forces of terror tried to extinguish the light of our nation on September 11, the heroes in our midst shined brighter than ever. For some, we know what heroic endeavors were undertaken as we hear stories from cell phones, emails, and survivors. And then there are those whose story was not told, yet we know—because of the people they were—it was a selfless courageous story. We know this because these men and women were heroes before they even entered the World Trade Center Towers to begin their rescue missions. Officer Navas was one of those people.

That Tuesday, his work and courage brought him into the lobbies of the World Trade Center as people flooded onto the streets. He was one of the men and women who ran up the stairs while instructing people to immediately get down those same stairs and outside. He was one who orchestrated safe escapes for those in the towers, while remaining in those very buildings to get people out. His efforts will never be forgotten, especially by those who were saved.

WAYNE R. POLAND HONORED

HON. THOMAS H. ALLEN

OF MAINE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 5, 2002

Mr. ALLEN. Mr. Speaker, in April, 2002, Wayne R. Poland will retire from the United States Postal Service and from his position as the local president of the Portland Maine Area Local #451 of the American Postal Workers Union. He has served with distinction in the